News Release

FHFA ANNOUNCES INCREASE IN THE ENTERPRISES' LIHTC CAP

To support underserved markets, each Enterprise can now invest up to $850 million annually in LIHTC

FOR IMMEDIATE RELEASE

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Washington, D.C. – Today, to support underserved markets, the Federal Housing Finance Agency (FHFA) announced that Fannie Mae and Freddie Mac (the Enterprises) can each invest up to $850 million annually in the Low-Income Housing Tax Credit (LIHTC) market as equity investors, effective immediately. Previously, each Enterprise was limited to $500 million of investment annually in the LIHTC market.
Within this $850 million annual funding cap, any investments above $425 million in a given year are required to be in areas that have been identified by FHFA as markets that have difficulty attracting investors. This marks an increase in the amount of investments under the cap that must be made in targeted transactions that either support housing in Duty to Serve-designated rural areas, preserve affordable housing, support mixed-income housing, provide supportive housing, or meet other affordable housing objectives.

"Increasing the amount each Enterprise can invest in the LIHTC market, especially in areas that have difficulty attracting investors, will help expand the supply of affordable housing across the country," said Acting Director Sandra L. Thompson. "Today's announcement is a part of FHFA's continued efforts to help alleviate America's affordable housing shortage."

The Low-Income Housing Tax Credit is the primary government program available to address the shortage of affordable rental housing through the creation and preservation of affordable units in underserved areas throughout the country. FHFA will continue to evaluate the Enterprises' participation in the LIHTC equity market on an ongoing basis.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 11 Federal Home Loan Banks. These government-sponsored enterprises provide nearly $7.2 trillion in funding for the U.S. mortgage markets and financial institutions. Additional information is available at www.FHFA.gov, on Twitter, @FHFA, YouTube, Facebook, and LinkedIn.

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